



Government of the District of Columbia
Vincent C. Gray, Mayor
Department of Insurance, Securities and Banking



William P. White
Commissioner

**BEFORE THE
INSURANCE COMMISSIONER OF
THE DISTRICT OF COLUMBIA**

Re: Report on Examination - **Medical Providers Mutual Insurance Company, A Risk Retention Group**, as of December 31, 2011

ORDER


An Examination of **Medical Providers Mutual Insurance Company, A Risk Retention Group**, as of December 31, 2011 has been conducted by the District of Columbia Department of Insurance, Securities and Banking ("the Department").

It is hereby ordered on this 3rd day of June, 2013, that the attached financial condition examination report be adopted and filed as an official record of this Department.

Pursuant to Section 31-1404(d)(1) of the D.C. Official Code, this Order is considered a final administrative decision and may be appealed pursuant to Section 31-4332 of the D.C. Official Code.

Pursuant to Section 31-1404(d)(1) of the D.C. Official Code, within 30 days of the issuance of the adopted report, the company shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted report and related order.

Pursuant to Section 31-1404(e)(1) of the D.C. Official Code, the Department will continue to hold the content of the report as private and confidential information for a period of 10 days from the date of this Order.


William P. White
Commissioner

GOVERNMENT OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF INSURANCE, SECURITIES AND BANKING



REPORT ON EXAMINATION

Medical Providers Mutual Insurance
Company, A Risk Retention Group

AS OF

DECEMBER 31, 2011

NAIC NUMBER 11813

TABLE OF CONTENTS

Salutation	1
Scope of Examination.....	1
Summary of Significant Findings.....	2
Status of Prior Examination Findings.....	2
History	2
General	2
Membership and Capitalization.....	3
Dividends	3
Management.....	3
Board of Directors	3
Officers.....	4
Committees.....	4
Conflicts of Interest	5
Corporate Records	5
Captive Manager	5
Fidelity Bond and Other Insurance	5
Pension and Insurance Plans	6
Territory and Plan of Operation	6
Comparative Financial Position of the Company.....	6
Reinsurance.....	7
Accounts and Records	7
Statutory Deposits	8
Financial Statements.....	9
Balance Sheet	10
Assets.....	10
Liabilities, Surplus and Other Funds	11
Statement of Income	12
Capital and Surplus Account	13
Analysis of Examination Changes to Surplus	13
Notes to Financial Statements.....	14
Comments and Recommendations	15
Conclusion	15
Signatures	16

Washington, D.C.
March 22, 2013

Honorable William P. White
Commissioner
Department of Insurance, Securities and Banking
Government of the District of Columbia
810 First Street, NE, Suite 701
Washington, D.C. 20002

Dear Commissioner White:

In accordance with Section 31-3931.14 of the District of Columbia Official Code, we have examined the financial condition and activities of

Medical Providers Mutual Insurance Company, A Risk Retention Group

hereinafter referred to as the “Company” or “Medical Providers”, located at 2233 Wisconsin Avenue, N.W., Suite 310, Washington, DC 20007.

SCOPE OF EXAMINATION

This full-scope examination, covering the period from January 1, 2007 through December 31, 2011, including any material transactions and/or events noted occurring subsequent to December 31, 2011, was conducted by the District of Columbia Department of Insurance, Securities and Banking (“Department”). The last examination was completed as of December 31, 2006 by the District of Columbia Department of Insurance, Securities and Banking.

We conducted our examination in accordance with the NAIC Financial Condition Examiners Handbook (“Handbook”) and the policies and standards established by the Department. The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company, including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. The examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management’s compliance with Statutory Accounting Principles, annual statement instructions, and compliance with domestic jurisdiction laws and regulations.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. In addition, our examination included tests to provide reasonable assurance that the Company was in compliance with applicable laws, rules and regulations. In

planning and conducting our examination, we gave consideration to the concepts of materiality and risk, and our examination efforts were directed accordingly.

The Company was audited annually by an independent public accounting firm. The firm expressed unqualified opinions on the Company's financial statements for the calendar years 2007 through 2011. We placed substantial reliance on the audited financial statements for calendar years 2007 through 2010, and consequently performed only minimal testing for those periods. We concentrated our examination efforts on the year ended December 31, 2011. We obtained and reviewed the working papers prepared by the independent public accounting firm related to the audit for the year ended December 31, 2011. We placed reliance on the work of the auditor and directed our efforts, to the extent practical, to those areas not covered by the firm's work papers.

SUMMARY OF SIGNIFICANT FINDINGS

The results of this examination disclosed no material adverse findings, significant non-compliance findings, or material changes in financial statements.

STATUS OF PRIOR EXAMINATION FINDINGS

A full scope financial examination was conducted by the Department as of December 31, 2006 which covered the period October 27, 2003 through December 31, 2006. In the Report on the prior examination, dated February 7, 2008, the Department noted five exception conditions and related recommendations. Our current examination included a review to determine the current status of the five recommendations in the prior exam report, and determined that the Company had satisfactorily addressed these recommendations.

HISTORY

General:

Medical Providers Mutual Insurance Company, A Risk Retention Group (formally known as Health Network Providers Mutual Insurance Company, A Risk Retention Group) was incorporated as an association captive insurer operating as a risk retention group under the captive laws of the District of Columbia on October 27, 2003 and commenced business on the same day.

The Company is organized as a mutual insurance company and was initially capitalized with a \$700,000 letter of credit which was subsequently replaced in September 2004 with cash contributions from members. The Company provides claims made medical professional liability insurance coverage to physician members of Memorial Hermann Health Network Providers, an independent physician organization located in Texas, and other local area physicians. The Company requested and was granted approval to change its name from Health Network

Providers Mutual Insurance Company, A Risk Retention Group to Medical Providers Mutual Insurance Company, A Risk Retention Group on March 6, 2012.

Membership and Capitalization:

The Company is 100 percent owned by its members/policyholders. To be eligible for membership, and to be insured by the Company, a prospective insured must:

1. Possess an unrestricted license to practice medicine in the State of Texas;
2. Satisfy the Requirements of Membership as set forth in the Company's bylaws; and
3. Meet the Company's underwriting standards.

Each member is entitled to one vote on matters submitted to members as provide in the Company's bylaws.

Members are required to make a one-time surplus contribution, called "reserve premium" to contribute to the Company's surplus. Reserve premiums are an obligation of and are payable by the member upon signing the Participation Commitment Agreement ("Agreement"). The Agreement governs termination of a member's participation in the program and any related distributions.

The reserve premium contribution requirement is equal to 80 percent of the mature claims made premium applicable to the limits of coverage requested by the member. After five years from the date of inception of the policy, a terminated member may receive back 100 percent of the reserve premium. As an option, members may contribute a reserve premium equal to 10 percent of the mature claims made premium. In the event of membership termination, the member's reserve premium under this option is not returnable and the member holds no equity in the Company upon termination of insurance coverage.

Dividends:

The Company declared and paid the following policyholder dividends during the period under examination. All dividends were approved by the Department.

<u>Year</u>	<u>Amount</u>
2008	\$100,422
2009	\$259,280
2010	\$245,883
2011	\$246,157

MANAGEMENT

The following persons were serving as the Company's directors as of December 31, 2011:

<u>Name and State of Residence</u>	<u>Principal Occupation</u>
Jim F. Waldron, M.D. Texas	Physician Private Practice
Gregg C. Waddill, III Texas	Attorney at Law and Chairman Physicians Underwriting Management Group, Inc.
John Van Osdall Texas	Vice President/Treasurer Medical Providers Mutual Insurance Company
Miguel A. Gomez, M.D. Texas	Physician Private Practice
Mary Lou VanSickle, M.D.* Texas	Physician Private Practice
Manohar M. Alloju, M.D. ** Texas	Physician Private Practice

* Effective January 1, 2012, Mary Lou VanSickle, M.D. was replaced on the board of directors by Robert E. McDonald, M.D.

** Effective January 1, 2013, Manohar M. Alloju, M.D. was replaced on the board of directors by Jon R. Gogola, M.D.

The following persons were serving as the Company's officers as of December 31, 2011:

<u>Name</u>	<u>Title</u>
Jim F. Waldron, M.D.	President
Gregg C. Waddill, III	Secretary & General Counsel
John Van Osdall	Vice President/Treasurer
Jon Harkavy	Assistant Secretary

Committees:

The Company's by-laws provide that the board of directors may appoint an executive committee comprised of board members. As of December 31, 2011, an executive committee had not been formed. In addition, the following committees had been formed as of December 31, 2011, as required by the Company's by-laws:

1. Underwriting Committee
Chair, John Van Osdall

2. Claims Committee
Chair, Gregg C. Waddill, III
3. Performance Improvement Committee
Chair, Gregg C. Waddill, III

The entire board of directors serves as the Audit Committee and Investment Committee.

Conflicts of Interest:

In compliance with the D.C. Municipal Regulations (DCMR), conflict of interest statements are to be completed annually by all directors, officers, and key employees. Our review of the conflict of interest statements for 2008, 2009 and 2011 disclosed there were no conflicts of interest reported that would adversely impact the Company. However, the Company was unable to provide signed conflict of interest statements for directors and officers for 2007 and 2010. In addition, a conflict of interest statement for one of the Company's officers for 2011 was not available from the Company. We discussed this situation with the Company during the examination. Management explained the 2007 statements were inadvertently discarded and the 2010 statements were never executed after a meeting in which they were to be executed had to be unexpectedly cancelled. Management also indicated that they recognized the importance of maintaining compliance with the DCMR and indicated improved record-keeping procedures would be implemented to ensure all required conflict of interest statements would be available for review upon request by the Department.

Corporate Records:

We reviewed the minutes of the meetings of the board of directors and members for the period under examination. Based on our review, it appears that the minutes have documented the board of director's review and approval of the Company's significant transactions and events.

CAPTIVE MANAGER

Risk Services, LLC ("Risk Services") is the Company's captive manager and provides captive management services including regulatory services and accounting services to the Company. In addition, Risk Services has its own legal counsel on staff that provides basic legal advice to the Company.

FIDELITY BOND AND OTHER INSURANCE

The Program Manager, Physicians Underwriting Management Group, Inc. ("PUMGI") has fidelity bond coverage in the amount of \$100,000. The Company is a named insured on the policy. The coverage exceeds the minimum amount of fidelity bond coverage recommended by the NAIC.

PENSION AND INSURANCE PLANS

The Company has had no employees since inception and as such, does not incur direct employee related expenses.

TERRITORY AND PLAN OF OPERATION

As of December 31, 2011, the Company was licensed in the District of Columbia and registered as a risk retention group in the state of Texas. During 2011, the Company wrote approximately \$1.8 million of premiums, all in Texas.

The Company has no employees. Its daily business operations are managed by PUMGI in Houston, Texas. PUMGI provides all policy and administrative services, including sales, marketing, underwriting, premium billing and collection, loss control, and claims and litigation management to the Company under an underwriting management and claims services agreement.

The Company offers “claims made” coverage to physician members of Memorial Hermann Health Network Providers, located in Texas. The Department has approved maximum coverage limits of \$500,000 per occurrence and \$1,500,000 per policy aggregate plus coverage of defense costs. The Company currently offers policies with limits of up to \$500,000 per occurrence and \$1,000,000 per policy aggregate plus coverage of defense costs.

COMPARATIVE FINANCIAL POSITION OF THE COMPANY

The financial position of the Company and its loss experience for the years under examination is presented in the following table, which is prepared from information contained in the Company’s annual statements filed with the Department. The amounts reported in the table for the year ended December 31, 2011 are determined by this examination.

	2011	2010	2009	2008	2007
Total admitted assets	\$ 7,335,098	\$ 8,958,092	\$ 8,246,597	\$ 7,847,396	\$ 8,422,549
Total liabilities	\$ 4,736,506	\$ 6,405,703	\$ 5,701,063	\$ 5,378,092	\$ 6,269,985
Total capital and surplus	\$ 2,598,592	\$ 2,552,389	\$ 2,545,534	\$ 2,469,304	\$ 2,152,564
Net cash from operations	\$ 3,679	\$ 497,008	\$ 522,129	\$ (472,748)	\$ 1,653,017
Total adjusted risk-based capital	\$ 2,598,592	\$ 2,552,389	\$ 2,545,534	\$ 2,469,304	\$ 2,152,564
Authorized control level risk-based capital	\$ 406,115	\$ 304,463	\$ 276,783	\$ 238,507	\$ 299,534
Gross written premium	\$ 1,774,256	\$ 1,811,037	\$ 1,797,691	\$ 1,919,771	\$ 2,540,594
Ceded premiums written*	\$ 88,348	\$ 408,355	\$ 264,064	\$ (62,767)	\$ 293,715

Premiums earned	\$ 1,830,626	\$ 1,450,908	\$ 1,455,834	\$ 2,000,612	\$ 2,095,025
Net underwriting gain	\$ 324,250	\$ 205,575	\$ 361,622	\$ 394,490	\$ 518,024
Net investment income	\$ 14,042	\$ 7,061	\$ 14,384	\$ 99,233	\$ 232,622
Net income (loss)	\$ 60,809	\$ (12,721)	\$ 65,035	\$ 271,737	\$ 506,664
Net underwriting gain to PHS	12.5%	8.1%	14.2%	16.0%	24.1%
Net written premium to PHS	64.9%	55.0%	60.2%	80.3%	104.4%
Losses and LAE incurred	\$ 762,345	\$ 878,135	\$ 687,121	\$ 1,188,272	\$ 1,040,861
Other underwriting expenses incurred	\$ 744,031	\$ 367,198	\$ 407,091	\$ 417,850	\$ 536,140
Net loss ratio	41.7%	60.6%	47.2%	59.4%	49.7%
Expense ratio	40.7%	25.3%	28%	20.9%	25.6%

* The Company's reinsurance treaty is retrospectively rated, and includes provisions for minimum, maximum, and provisional rates. As a result of the retrospective rating, as well as other factors, the Company's ceded reinsurance premiums written can fluctuate from year to year.

REINSURANCE

Assumed Reinsurance:

The Company did not assume any business during the examination period.

Ceded Reinsurance:

As of December 31, 2011, the Company maintained excess of loss reinsurance coverage with Lloyd's of London. As of December 31, 2011, under the terms of the treaty, Lloyd's of London assumes \$800,000 in excess of \$200,000 ultimate net loss for each and every claim, each insured.

Our review of the Company's ceded reinsurance contract did not disclose any unusual provisions.

ACCOUNTS AND RECORDS

The primary locations of the Company's books and records are at the office of its captive manager, in Sarasota, Florida, and at the offices of its program manager, PUMGI, in Houston, Texas.

The Company's general accounting records consisted of an automated general ledger and various subsidiary ledgers. Our review disclosed no material deficiencies in these records.

STATUTORY DEPOSITS

As of December 31, 2011, the Company did not have statutory deposits in the District of Columbia and was not required to maintain any such deposits. In addition, the Company was not required to maintain statutory deposits with any other jurisdictions.

FINANCIAL STATEMENTS

The following financial statements, prepared in accordance with generally accepted accounting principles (“GAAP”) prescribed or permitted by the Department, reflect the financial condition of the Company as of December 31, 2011, as determined by this examination:

<u>STATEMENT</u>	<u>PAGE</u>
Balance Sheet:	10
Assets	10
Liabilities, Surplus and Other Funds	11
Statement of Income	12
Capital and Surplus Account	13
Analysis of Examination Changes to Surplus	13

The accompanying Notes to Financial Statements are an integral part of these financial statements.

BALANCE SHEET

ASSETS

	<i>December 31, 2011</i>
Bonds	\$ 1,478,079
Cash (\$4,738,432) and short-term investments (\$500,769)	<u>5,239,201</u>
Subtotals, cash and invested assets	\$ 6,717,280
Investment income due and accrued	5,520
Uncollected premiums and agents' balances in the course of collection	355,858
Net deferred tax asset	98,106
Aggregate write-ins for other than invested assets:	
Prepaid expenses	32,703
Deferred policy acquisition costs	125,631
Total Assets	<u>\$ 7,335,098</u>

LIABILITIES, SURPLUS AND OTHER FUNDS

	<i>December 31, 2011</i>
Losses (Note 1)	\$ 1,462,322
Loss adjustment expenses (Note 1)	1,699,228
Other expenses (excluding taxes, licenses and fees)	168,817
Taxes, licenses and fees (excluding federal and foreign income taxes)	17,151
Current federal and foreign income taxes	15,008
Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$246,967)	512,932
Advance premium	13,083
Ceded reinsurance premiums payable (net of ceding commissions)	847,965
 Total Liabilities	 \$ 4,736,506
Gross paid in and contributed surplus	\$ 1,678,575
Unassigned funds (surplus)	920,017
 Surplus as regards policyholders	 \$ 2,598,592
 Total Liabilities and Surplus	 <u>\$ 7,335,098</u>

STATEMENT OF INCOME

	<i>December 31, 2011</i>
UNDERWRITING INCOME	
Premiums earned	\$ 1,830,626
DEDUCTIONS	
Losses incurred	255,012
Loss adjustment expenses incurred	507,333
Other underwriting expenses incurred	744,031
Total underwriting deductions	\$ 1,506,376
Net underwriting gain	\$ 324,250
INVESTMENT INCOME	
Net investment income earned	14,042
Net investment gain	\$ 14,042
Income before dividends to policyholders	\$ 338,292
Dividends to policyholders	246,157
Income after dividends to policyholders	\$ 92,135
Federal and foreign income taxes incurred	31,326
Net income	\$ 60,809

CAPITAL AND SURPLUS ACCOUNT

Surplus as regards policyholders, beginning of year 2007	\$	1,821,674
Net income, 2007		506,664
Net surplus paid in/(returned)		(175,774)
Surplus as regards policyholders, end of year 2007	\$	2,152,564
Surplus as regards policyholders, beginning of year 2008	\$	2,152,564
Net income, 2008		271,737
Net surplus paid in/(returned)		45,003
Surplus as regards policyholders, end of year 2008	\$	2,469,304
Surplus as regards policyholders, beginning of year 2009	\$	2,469,304
Net income, 2009		65,035
Net surplus paid in/(returned)		11,195
Surplus as regards policyholders, end of year 2009	\$	2,545,534
Surplus as regards policyholders, beginning of year 2010	\$	2,545,534
Net loss, 2010		(12,721)
Net surplus paid in/(returned)		19,576
Surplus as regards policyholders, end of year 2010	\$	2,552,389
Surplus as regards policyholders, beginning of year 2011	\$	2,552,389
Net income, 2011		60,809
Change in net unrealized capital losses		(7,867)
Net surplus paid in/(returned)		(6,739)
Surplus as regards policyholders, end of year 2011	\$	2,598,592

ANALYSIS OF EXAMINATION CHANGES TO SURPLUS

There were no changes to the Company's surplus as a result of our examination.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Loss and Loss Adjustment Expenses Reserves:

The Company reported “Losses” and “Loss adjustment expenses” reserves totaling \$1,462,322 and \$1,699,228, respectively. These reserves represent management’s best estimate of the amounts necessary to pay all claims and related expenses that have been incurred but are still unpaid as of December 31, 2011.

The methodologies utilized by the Company to compute reserves, and the adequacy of the loss and loss adjustment expenses reserves as of December 31, 2011, were reviewed as part of our examination. As part of our review, we relied on the Company’s independent actuary, who concluded that the Company’s reserves appeared to be sufficient. In addition, as part of our review of the Company’s reserves, we engaged an independent actuary to review the methods employed, assumptions relied upon, and conclusions reached by the Company’s independent actuary. The independent actuary utilized in our examination concluded that the methodologies and assumptions utilized by the Company’s independent actuary to compute these reserves, and the amount of the reserves as of December 31, 2011, were reasonable and adequate.

COMMENTS AND RECOMMENDATIONS

During the examination, no issues warranting comments or recommendations in this examination report were noted.

CONCLUSION

Our examination disclosed that as of December 31, 2011 the Company had:

Admitted Assets	\$	7,335,098
Liabilities and Reserves		4,736,506
Gross Paid In and Contributed Surplus		1,678,575
Unassigned Funds		920,017
Total Surplus		2,598,592
Total Liabilities, Capital and Surplus	\$	7,335,098

Based on our examination, the accompanying balance sheet properly presents the financial position of the Company at December 31, 2011, and the accompanying statement of income properly presents the results of operations for the period then ended.

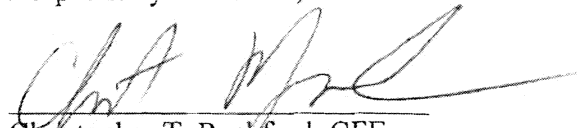
Chapter 39 (“CAPTIVE INSURANCE COMPANIES”) of Title 31 (“Insurance and Securities”) of the D.C. Official Code specifies the level of capital and surplus required for the Company. We concluded that the Company’s capital and surplus funds exceeded the minimum requirements during the period under examination.

SIGNATURES

In addition to the undersigned, the following personnel from Risk & Regulatory Consulting, LLC, representing the Department, participated in this examination as members of the examination team: Alea P. Talbert-Pence, CFE, CIA; Connie Ridinger, CFE; Carolyn Maynard, CFE; and Adam M. Sarote, CISA, CGEIT, CRISC.


The actuarial portion of this examination was completed by Edward J. Zonenberg, FCAS, MAAA, of Risk & Regulatory Consulting, LLC.

Respectfully submitted,



Christopher T. Rushford, CFE
Examiner-In-Charge
Risk & Regulatory Consulting, LLC

Under the Supervision of,



Xiangchun (Jessie) Li, CFE
Supervising Examiner
District of Columbia Department of Insurance,
Securities and Banking



Government of the District of Columbia
Vincent C. Gray, Mayor
Department of Insurance, Securities and Banking



William P. White
Commissioner

May 2, 2013

Jim F. Waldron, M.D.
President
Medical Providers Mutual Insurance Company, A Risk Retention Group
c/o Risk Services, LLC
2233 Wisconsin Avenue, N.W., Suite 310
Washington, DC 20007

RE: Examination of **Medical Providers Mutual Insurance Company, A Risk Retention Group**, as of December 31, 2011.

Dear Dr. Waldron:

Pursuant to the provisions of Section 31-1404 of the D.C. Official Code, enclosed is a draft copy of the Report on Examination ("Report") of the affairs and financial condition of Medical Providers Mutual Insurance Company, A Risk Retention Group ("Company") as of December 31, 2011.

Please submit, to my attention, a written response calling attention to any errors or omissions. In addition, if this Report on Examination contains a section entitled "Comments and Recommendations" that discloses certain areas requiring action, the Company shall submit a statement covering the corrective measures which will be taken. If the Company's position on any of these points is contrary to the Examiner's findings, an explanation should be submitted covering each contested comment and/or recommendation.

If there are no errors or omissions to be brought to our attention, and there are no "Comments and Recommendations" requiring a response, please submit a statement that the Company accepts the Report.

The response must be in writing and shall be furnished to this Department by May 31, 2013. In addition to a hard-copy response, please also furnish the response electronically via e-mail to me, in a Microsoft "Word" format, to sean.odonnell@dc.gov.

Sincerely,

Sean O'Donnell
Director of Financial Examination,
Risk Finance Bureau

Enclosure

**Medical Providers Mutual Insurance
Company, A RRG**
2233 Wisconsin Avenue, N.W., Suite 310
Washington, D.C. 20007

May 31, 2013

Mr. Sean O'Donnell
Director of Financial Examination
Risk Finance Bureau
D.C. Department of Insurance, Securities & Banking
1400 L Street, N.W., Suite 400
Washington, D.C. 20005
Phone: 202-535-1169

**Re: Medical Providers Mutual Insurance Company, A Risk Retention Group (formerly known as
Health Network Providers Mutual Insurance Company, A Risk Retention Group)
NAIC Company Code: 11813; NAIC Group Code: 0000; FEIN: 27-0061785
D.C. License No. RR001**

Dear Mr. O'Donnell:

This letter is in response to your correspondence of May 2, 2013, requesting a written response to the draft Report on Examination of the Company as of December 31, 2011. The only change requested by the Company is that on page four (4) of the report in the list of Company directors that Gregg Waddill's occupation be changed to "Attorney at Law and Chairman".

Should you have any questions, please do not hesitate to contact me at (941) 373-1140 or via email at kgray@pboa.com.

Sincerely,

Katie Gray

Katie Gray
Account Manager
Risk Services, LLC
As Managers for
Medical Providers Mutual Insurance Company,
A Risk Retention Group



Government of the District of Columbia
Vincent C. Gray, Mayor
Department of Insurance, Securities and Banking



William P. White
Commissioner

June 3, 2013

Jim F. Waldron, M.D.
President
Medical Providers Mutual Insurance Company, A Risk Retention Group
c/o Risk Services, LLC
2233 Wisconsin Avenue, N.W., Suite 310
Washington, DC 20007

RE: Examination of **Medical Providers Mutual Insurance Company, A Risk Retention Group**, as of December 31, 2011.

Dear Dr. Waldron:

We are in receipt of a response, dated May 31, 2013, from Katie Gray, Account Manager, Risk Services, LLC, regarding the Report on Examination of **Medical Providers Mutual Insurance Company, A Risk Retention Group** ("Company") as of December 31, 2011. The response deemed adequate. We have changed director Gregg Waddill's occupation to "Attorney at Law and Chairman" per the Company's request.

The adopted Report (which includes a copy of this letter), and the Order evidencing such adoption are enclosed. Pursuant to Section 31-1404(e)(1) of the D.C. Official Code, the adopted Report will be held private and confidential for a period of 10 days from the date of the Order evidencing such adoption. After this 10 day period has passed, the Report will be publicly available. The Department of Insurance, Securities and Banking will forward the adopted Report electronically to each jurisdiction in which the Company is registered and to the National Association of Insurance Commissioners.

Pursuant to Section 31-1404(d)(1) of the D.C. Official Code, within 30 days of the date of the above-mentioned Order, affidavits executed by each Company director stating under oath that he or she has received a copy of the adopted examination Report and related Order shall be filed with this Department. Please send these affidavits to my attention at the Department.

Please contact me at 202-442-8153 if you have any questions.

Paul Dreabit
Medical Providers Mutual Insurance Company, A Risk Retention Group
June 3, 2013
Page 2 of 2

Sincerely,

A handwritten signature in dark ink, appearing to read "Sean O'Donnell". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Sean O'Donnell
Director of Financial Examination
Risk Finance Bureau

Enclosures